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TO RUEHC/SECSTATE WASHDC 4202
INFO RUCPDO/DEPT OF COMMERCE WASHDC
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UNCLAS CAIRO 002140

SENSITIVE
SIPDIS

DEPT FOR NEA/ELA
DEPT PASS TO USTR/SFRANCESKI

E.O. 12958: N/A
TAGS: [ECON](#) [EINV](#) [ETRD](#) [PGOV](#) [EG](#) [IS](#)
SUBJECT: READOUT OF 19TH QIZ JOINT COMMITTEE MEETING

11. (SBU) On November 15, Israeli and Egyptian trade officials met in Cairo for the quarterly meeting of the Qualifying Industrial Zone (QIZ) Joint Committee. The Israeli delegation was led by Gabby Bar of the Ministry of Trade and Labor, and the Egyptian delegation was headed by Sayed Elbous of the Ministry of Trade and Industry.

12. (SBU) The data compiled by the committee found that QIZ exports from Egypt to the US increased by 7.3% in the last quarter, climbing from \$187.3 million in Q2 to \$200.9 million in Q3. Israeli exports to Egypt through the program increased by 8.1%, rising from \$19.8 million in Q2 to \$21.4 million in Q3. Egypt's total QIZ exports are on pace to rise in 2009, with exports for the first three quarters of 2009 reaching \$579.4 million, a 3.5% increase over the same period in 2008.

13. (SBU) The meeting found two Egyptian QIZ companies to be non-compliant with the QIZ protocol for failing to meet the 10.5% Israeli content requirement. The Senior Company for Ready-Made Garments in Alexandria and Mag Industrial in the 10th of Ramadan zone were cited for non-compliance, and are prohibited from exporting to the US through QIZ for the following quarter. Of the 749 companies registered with QIZ committee, 144 are currently exporting to the US.

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